ANNUAL REPORT

OF THE

PRINCE EDWARD ISLAND

CROWN BUILDING CORPORATION

FOR THE YEAR ENDING

31 MARCH 1990

91-05331/

TO HER HONOUR

THE HONOURABLE MARION L. REID
Lieutenant Governor of The Province of
Prince Edward Island

May It Please Your Honour:

I respectfully submit herewith, for the information of Your Honour and the Legislature of Prince Edward Island, the Annual Report of the Crown Building Corporation for the Fiscal year ended 31 March 1990.

I have the honour to be Sir:

Your Obedient Servant,

Gordon MacInnis
Minister
Department of Transportation
and Public Works

PRINCE EDWARD ISLAND
CROWN BUILDING CORPORATION

Charlottetown
Prince Edward Island
April 11, 1991

Honourable Gordon MacInnis
Prince Edward Island
Crown Building Corporation
Charlottetown, P.E.I.

Sir:

I have the honour to submit herewith a report of the activities of the Prince Edward Island Crown Building Corporation for the year ended 31 March 1990.

An Act to establish the Prince Edward Island Crown Building Corporation was passed on 5 April 1962. Subsequently, Orders-in-Council appointed successive Presidents and Directors. During the period 1962-66 the Corporation functioned as an administrative and financing agency for the site preparation, planning, design and construction of the Provincial Administrative buildings in Charlottetown, and from 1966 to 1984 the Corporation generally limited its activities to that of financial agency responsible for amortizing construction costs of the Administrative buildings.

An amendment to the Prince Edward Island Crown Building Corporation Act (RSPEI 1974, Cap. C-30), assented to 11 May 1984, enabled the Corporation to plan, design, and construct the buildings, facilities, and equipment necessary to accommodate the veterinary teaching facility, known as the College, to be established as part of the University of Prince Edward Island; and to assume the financial obligation of Prince Edward Island, all pursuant to the Agreement of 3 June 1983, on behalf of the Government of Canada and the Governments of the Provinces of Prince Edward Island, Nova Scotia, New Brunswick and Newfoundland.

Bylaws of the Corporation were approved by Lieutenant Governor-in-Council 30 August 1984, and subsequently, amended bylaws were approved 15 November 1984.

Objects and powers of the Corporation were approved by the Lieutenant Governor-in-Council 30 August 1984.

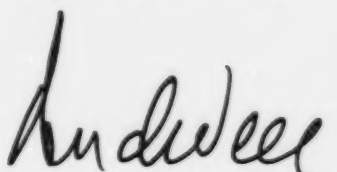
Pursuant to an Agreement of 8 September 1983 between Prince Edward Island and the University of Prince Edward Island, the University conveyed the lands containing approximately 19 acres to the Province for the purpose of construction of all building and parking areas necessary for the College. Ownership of the College and the said 19 acres of land was transferred back to the University on April 1, 1987.

On 19 October 1987, the Corporation purchased the shares of the Charlottetown Veterinary Clinic (1981) Ltd. and C.V.C. Management Inc. in order to facilitate the integration of the veterinary practice area served by the Charlottetown Veterinary Clinic into the large animal ambulatory and hospital services of the College.

During the year ended 31 March 1990, all claims receivable were settled with the exception of the Government of Canada account ($17,849). It is anticipated this claim will be settled in fiscal year 1990-91.

The audited financial statements of this Report covers details of costs.

Respectfully submitted,



Andrew B. Wells
Secretary
Crown Building Corporation

AUDITOR GENERAL

CHARLOTTETOWN

PRINCE EDWARD ISLAND

PRINCE EDWARD ISLAND

CROWN BUILDING CORPORATION

FINANCIAL STATEMENTS

MARCH 31, 1990

AUDITOR GENERAL

CHARLOTTETOWN

PRINCE EDWARD ISLAND

AUDITOR'S REPORT

To the Board of Directors of the
Prince Edward Island Crown Building Corporation

I have examined the balance sheet of the Prince Edward Island Crown Building Corporation as at March 31, 1990 and the statement of income for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1990 and the results of its operations for the year then ended in accordance with the basis of accounting as disclosed in Note 1 to the financial statements applied on a basis consistent with that of the preceeding year.

J. Wayne Murphy, C.A.
Auditor General

Charlottetown, Prince Edward Island
June 28, 1990

PRINCE EDWARD ISLAND CROWN BUILDING CORPORATION
BALANCE SHEET

MARCH 31, 1990
(with comparative figures at March 31, 1989)

ASSETS

	1990	1989
CURRENT ASSETS		
Cash	$ 201,479	$ 95,171
Accounts Receivable - Note 2	18,351	135,884
	219,830	231,055
FIXED ASSETS		
Land - cost	271,340	271,340
Buildings and Equipment - cost - Note 1(a)	6,116,139	6,116,139
	6,387,479	6,387,479
OTHER ASSETS		
Unamortized Bond Discount & Issue Expenses	97,431	103,549
Charlottetown Veterinary Clinic - Notes 1(c) and 3	522,274	522,274
Loan Receivable - Note 3	487,168	541,000
	1,106,873	1,166,823
	$7,714,182	$7,785,357

LIABILITIES AND SURPLUS

	1990	1989
CURRENT LIABILITIES		
Accounts Payable - Province of P.E.I.	$ 64,506	$ 75,692
Accrued Interest	155,250	155,250
Loans Payable - Province of P.E.I. - Current Portion	60,225	1,063,274
	279,981	1,294,216
LONG TERM LIABILITIES		
Loans Payable - Province of P.E.I. - Note 4	2,094,426	1,091,141
Less: Current Portion	60,225	-
	2,034,201	1,091,141
Debentures Payable - Other - Note 5	5,400,000	5,400,000
Less: Sinking Fund - Note 6 (Market value 1990 - $7,389,456; 1989 - $6,880,496)	7,316,432	6,435,616
	(1,916,432)	(1,035,616)
	117,769	55,525
SURPLUS		
Unappropriated		
Net Income - Statement 2	67,500	67,500
Less: Transfer to Sinking Fund Reserve	67,500	67,500
	-	-
Appropriated		
Sinking Fund Reserve		
Balance Beginning of Year	6,435,616	5,654,225
Investment Income - Note 1(b)	813,316	713,891
Sinking Fund Installments	67,500	67,500
Balance End of Year	7,316,432	6,435,616
	$7,714,182	$7,785,357

(The accompanying notes are part of these financial statements.)

ON BEHALF OF THE BOARD OF DIRECTORS:

PRINCE EDWARD ISLAND CROWN BUILDING CORPORATION

STATEMENT OF INCOME

YEAR ENDED MARCH 31, 1990

(with comparative figures for the year ended March 31, 1989)

	1990	1989
INCOME		
Appropriations from the Province of P.E.I. - Note 1(b)	$657,797	$623,387
Appropriations from N.S., N.B., and Nfld.	37,624	-
	695,421	623,387
EXPENSES		
Interest	436,764	422,021
Amortization of Bond Discount	6,118	6,118
Operating Loss - Veterinary clinic - Note 1(c)	185,039	127,748
	627,921	555,887
NET INCOME FOR YEAR	$ 67,500	$ 67,500

(The accompanying notes are part of these financial statements.)

PRINCE EDWARD ISLAND CROWN BUILDING CORPORATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 1990

1. Accounting Policies

   (a) No depreciation is being charged on buildings and equipment.

   (b) The statement of income is on a net lease basis and does not include the interest on Sinking Fund investments. The investment income is shown as a separate item in the Sinking Fund section of the balance sheet.

   (c) On October 19, 1987 the Corporation purchased the shares of the Charlottetown Veterinary Clinic (1981) Ltd. and C.V.C. Management Inc. The Corporation uses the equity method of accounting to record its investment in these wholly-owned subsidiaries. For the fiscal year ended March 31, 1990, there was a $185,039 operating loss which was appropriated by the Province of P.E.I.

   In order to provide a more informative presentation of the operations of the Corporation, the financial statements are not consolidated. Separate combined financial statements of the Charlottetown Veterinary Clinic (1981) Ltd. and C.V.C. Management Inc. are being issued.

2. Accounts Receivable mainly represents claims to the Government of Canada and the four Atlantic Provinces for the shareable Atlantic Veterinary College Project costs, in accordance with a five-party agreement dated June 3, 1983. Following is a breakdown of these Accounts Receivable:

	1990	1989
Government of Canada	$17,849	$ 17,849
Province of Prince Edward Island	-	131,368
Province of Nova Scotia	-	(8,470)
Province of New Brunswick	-	(6,872)
Province of Newfoundland	-	1,696
Other	502	313
	$18,351	$135,884

3. The four Atlantic Provinces agreed to fund $541,000 of the original cost of $1,063,274 for the Charlottetown Veterinary Clinic (1981) Ltd. and C.V.C. Management Inc., as part of the four-party agreement for the operation of the Atlantic Veterinary College.

   The funding is in the form of equal annual payments, amortizing the cost over the years remaining in the four-party agreement with the last payment due March 31, 1996.

4. Following is a breakdown of long-term loans payable to the Province of P.E.I.:

Maturity Date	Interest Rate	1990	1989
Not stated	Nil	$1,084,984	$1,091,141
March 31, 1992	11-7/8%	522,274	-
March 31, 1996	11-7/8%	487,168	-
		$2,094,426	$1,091,141

Interest charges related to the loans payable are appropriated by the Province.

5. Debentures payable are 5-3/4% Sinking Fund debentures due April 1, 2006, callable at the option of the Corporation on or after April 1, 2001. The debentures are guaranteed by the Province of P.E.I.

6. Sinking Fund investments consist of the following:

	1990	1989
Cash and Accounts Receivable	$ 110,010	$ 108,961
Accrued Interest	223,718	187,898
Debentures	6,982,704	6,138,757
	$7,316,432	$6,435,616